

April 3, 1992

LB 719A, 1063
LR 219

criticisms of the bill and the funding of it, that is fine, this is something new. I think Senator Warner's amendment and the amendment brought to us by Senator Withem and Warner, and the Nelson administration is an ongoing attempt to make, and for Carson Rogers' benefit, to make a silk purse out of a sow's ear in many ways. We continue to try and make this thing palatable, try and sell it, try and protect it, things like that. It just amazes me at what lengths this body and many members of the business community in the State of Nebraska are willing to go to try and convince us that LB 1063 and LR 219 are the only choice we have got. Once again, you remember back in November, soon after the 3-R plan came out, the two major driving arguments behind the plan by supporters, primarily from the administration, were, one, initially, was minimal cost to agriculture, only \$3 1/2 million; two, is it finally made the railroads pay taxes, their fair share of taxes. That is what they continued to say, as time and time again I questioned that, hey, the railroads are going to litigate; time and time again, the supporters said, no, we have an ironclad case. The Legislature passed LB 1063 over my objections, passed LR 219. Lo and behold on March 18...well, March 17th, there was some talk about UP filing lawsuits. At that time, quote, the Lincoln Journal, Governor Nelson, "We think it is handled. LB 1063 and the constitutional clearly addresses and solves the 4-R problem." In the Omaha World-Herald. I will give equal time over there, "Nelson and other backers of LB 1063 said that the new depreciation-based tax system could stand up against a 4-R challenge. The state would not be treating railroad personal property differently because all personal property being depreciated would be taxed regardless of who owned it. Senator Warner said he doesn't think railroads are being treated any differently from any other taxpayers under LB 1063. Once again, one of the selling points of LB 1063 has been that it would tax railroad personal property." Now, obviously, under Senator Warner's amendment, they still would pay something, but the question that I have is that if you had such an ironclad case, if you spend the last five months saying people like myself that always argued the railroads would litigate, and the railroads would win, always told me I was living in "lala" land and wasn't dreaming it, how come the moment the railroads threatened to file suit, we go into a room, cut a million dollar deal, they back up with their lawsuit. You answer that question, the body think about that. For months they say this can stand up to a lawsuit case, go ahead and sue, the 4-R Act is taken care of. We passed a bill, the railroads threatened. We cut them a